

# CORPORATE GOVERNANCE STATEMENT 2024

The governance and management of Cargotec Corporation ("Cargotec" or "Company") are based on the Finnish Limited Liability Companies Act and Securities Markets Act, as well as the Company's Articles of Association, Code of Conduct and other Company policies. The Cargotec class B share is listed at Nasdaq Helsinki, Finland, and the Company complies with the rules and guidelines of Helsinki Stock Exchange and the Finnish Financial Supervision Authority as well as with all the recommendations of the Finnish Corporate Governance Code 2025, published by the Securities Markets Association ([www.cgfinland.fi/en](http://www.cgfinland.fi/en)).

The corporate governance statement has been reviewed by the Board's Audit and Risk Management Committee. It is issued as a separate report and disclosed, together with the financial statements, Board of Directors' report, and the remuneration report, on the Company website. Up-to-date information on governance and remuneration is available on the website.

## Corporate governance

Cargotec's shareholders exercise the highest decision making power at the Shareholders' meeting. The Annual General Meeting (AGM) appoints the members of the Board and the Auditors. The Company is managed by the Board of Directors and the President and CEO, appointed by the Board.

## Shareholders' Meeting

The Annual General Meeting is held annually within six months of the closing of the financial period, on a day designated by the Board. An extraordinary Shareholders' meeting in respect of specific matters shall be held when considered necessary by the Board, or when requested in writing by a Company

auditor or by shareholders representing at least 10 percent of all the issued shares of the Company.

The issues decided on by the AGM include the adoption of the financial statements, distribution of profit, granting of release from liability to the members of the Board of Directors and to the CEO, as well as the election of and remuneration payable to the members of the Board and auditor. The Shareholders' meeting also has the right to amend the Articles of Association, decide on merger and demerger, and make decisions and authorise the Board of Directors to make decisions on the acquisition of treasury shares, on share issues, and on option programmes.

Cargotec has two share classes, each with different voting rights. In the Shareholders' meeting, each class A share carries one vote, as does each set of ten class B shares, with the provision that each shareholder is entitled to at least one vote.

In 2024, Cargotec's AGM was held on 30 May 2024. The shareholders and their proxy representatives were able to participate in the general meeting and exercise shareholder rights in person in Helsinki and by voting and asking questions in advance. It was also possible to follow the meeting via an online video stream. The meeting adopted the financial statements and consolidated financial statements, approved the remuneration policy and the remuneration report as well as granted discharge from liability to the CEO and the members of the Board of Directors for the financial year 1 January–31 December 2023. The meeting appointed the members of the Board of Directors, the auditor and the sustainability reporting assurance provider and approved their remuneration. The meeting approved a distribution of a dividend of EUR 2.14 per

each class A share and a dividend of EUR 2.15 per each outstanding class B share to be paid for the financial period ended 31 December 2023.

The AGM resolved on the partial demerger of Cargotec in accordance with the demerger plan approved by the Board of Directors and signed on 1 February 2024. As part of the demerger resolution, the meeting approved the incorporation of Kalmar Corporation ("Kalmar") and its articles of association. Also as part of the demerger resolution, the number of the Kalmar Board members was confirmed, the members were elected and their yearly remuneration was confirmed and the auditor and sustainability reporting assurance provider were appointed. The meeting approved the establishment of the Shareholders' Nomination Board of Kalmar and adopted its charter as well as approved the remuneration policy for governing bodies of Kalmar. As part of the demerger resolution, the AGM resolved on a decrease of share capital of Cargotec and on the dissolution of share premium reserve of Cargotec.

More information on Cargotec's AGM and the partial demerger is available on Cargotec's website.

## Board of Directors

### Responsibilities

As stipulated in the Finnish Limited Liability Companies Act and Cargotec's Articles of Association, the Board is responsible for the management and proper organisation of the Company's operations as well as for representing the Company. The Board has compiled a written charter for its work that defines its main duties and operating principles. The Board's main responsibilities include approving Cargotec's annual, half-year, and interim financial statements. The Board

appoints Cargotec's President and CEO and determines the related terms of employment, as well as confirms Cargotec's strategy and monitors its implementation. The Board decides on significant loans, acquisitions and investments and approves the annual and long term operational and financial plans, sustainability targets, as well as risk management principles. The Board discusses organisation and talent management issues and approves the long- and short-term incentive programmes and their outcome. Matters presented regularly to the Board include violations against the Code of Conduct, internal control, data and information security and quarterly reports on Cargotec's sustainability actions. In connection with each meeting, the Board holds discussions also without the presence of the executive management.

In 2024, the Board had 15 meetings. Some of these meetings were held remotely or the resolutions were recorded without convening. Attendance in the meetings is reported in the table further below.

The Board agrees annually on focus areas for the coming year. The key themes on the Board's agenda throughout the year 2024 have been Cargotec's strategic focus areas sustainability and profitable growth. Reports on the climate and sustainability work and business area climate actions were regularly presented to the Board. During the first half of 2024, the main focus was on the partial demerger of Cargotec. In February, the Board approved the demerger plan concerning the separation of Kalmar business area into a new listed company. The Board supervised the demerger execution, including the organisation of independent Kalmar. The demerger was completed on 30 June 2024. The Board has also supervised MacGregor's financial performance and the process of finding a solution for MacGregor according to the decision by the Board in 2022 that MacGregor will not be part of Cargotec's portfolio in the future. In May, the Board resolved to start the sales process of MacGregor and the agreement to sell MacGregor was signed in November 2024. In addition, the Board has ensured the standalone readiness

of the remaining Cargotec and announced that the name of the company will be changed to Hlab in 2025.

### Composition

According to the Articles of Association, Cargotec's Board of Directors includes a minimum of six and a maximum of twelve members. Board members are elected at the AGM for a one-year term of office that expires at the end of the first AGM following the election. The Board elects a Chair and a Vice Chair from among its members. The Board's composition shall support the overall goal of implementing Cargotec's strategy. According to the Board's diversity principles, board composition shall reflect the operations strategy and the future needs of the Company. The diversity factors include work experience in Cargotec's strategic business areas and of the cultures in which Cargotec operates, as well as educational background, age and gender. There shall be both genders in the Board, the target being at least two directors of the under-represented gender.

At the AGM in 2024, the number of Board members was confirmed to seven. The current Board members Ilkka Herlin, Raija-Leena Hankonen-Nyblom and Ritva Sotamaa were re-elected to the Board of Directors and Eric Alström, Jukka Moisio, Tuija Pohjolainen-Hiltunen and Luca Sra were elected as new members. The former Board members Jaakko Eskola, Teresa Kemppe-Vasama, Tapio Kolunsarka, Johanna Lamminen and Kaisa Olkkonen did not stand for re-election. In its organising meeting, the Board elected Ilkka Herlin as Chair and Jukka Moisio as Vice Chair. The Board nominated Eric Alström as the member responsible for overseeing sustainability matters in the Board. Outi Aaltonen, Senior Vice President, General Counsel, served as the Secretary to the Board of Directors.

Three Board members are female and four are male, and the underrepresented gender comprised 43 percent of all members of the Board. Thus, the gender target the Board had set has been reached. At the end of 2024, the age range of the members was between 53 and 65 years. The Board

members have a wide range of educational backgrounds and they have executive experience in international companies in different cultures.

Biographical details of the Board members are given below and up-to-date CV details are available on the Company website. The remuneration of the Board is described in the Remuneration report 2024.

### Self-assessment and assessment of independence

The Board conducts an annual internal self-assessment to review its own performance and procedures. In 2024, the self-assessment was conducted as a written questionnaire that the Board discussed among themselves.

The majority of the Board members shall be independent of the Company and a minimum of two of the independent directors are to be independent of significant shareholders. The Board conducts, annually and when necessary, an assessment of its members as regards their independence of the Company and major shareholders, as defined in the Corporate Governance Code.

In 2024, the members were independent of the Company and all except Ilkka Herlin independent of major shareholders. Ilkka Herlin controls the company Wipunen varainhallinta oy, which is a significant shareholder of Cargotec, and he also is a Board member of Mariatorp Oy, another significant shareholder. In the overall evaluation, the Board considered the over ten year term of Ilkka Herlin but considered him still to be independent of the company.

## Board and committee members' participation in meetings 2024

	Board of Directors	Audit and Risk Management Committee	Nomination and Compensation Committee	Demerger Committee
<b>Ilkka Herlin</b> Chair	15/15	-	7/7	-
<b>Jukka Moisio</b> Vice Chair as of 30 May 2024	8/8	-	3/3	-
<b>Eric Alström</b> Member as of 30 May 2024	6/8	3/3	-	-
<b>Raija-Leena Hankonen-Nybohm</b> Member	15/15	8/8	-	-
<b>Tuija Pohjolainen-Hiltunen</b> Member as of 30 May 2024	8/8	3/3	-	-
<b>Ritva Sotamaa</b> Member	15/15	-	7/7	-
<b>Luca Sra</b> Member as of 30 May 2024	7/8	-	-	-
<b>Jaakko Eskola</b> Chair until 30 May 2024	7/7	-	4/4	6/6
<b>Teresa Kemppe-Vasama</b> Member until 30 May 2024	6/7	-	4/4	5/6
<b>Tapio Kolunsarka</b> Member until 30 May 2024	7/7	4/5	-	6/6
<b>Johanna Lamminen</b> Member until 30 May 2024	7/7	5/5	-	-
<b>Kaisa Olkkonen</b> Member until 30 May 2024	6/7	5/5	-	-

## Board of Directors 31 December 2024



### **Ilkka Herlin**

Chair, b. 1959, male, Finnish citizen

Ph.D., D.Sc. (Tech) h.c., D.Sc. (Agr & For) h.c.

Board Chair 2005–2022, Vice Chair 2022–2024, Chair since 30 May 2024  
Chair of Nomination and Compensation Committee

Independent of the Company, significant shareholder (Wipunen varainhallinta oy), not independent of significant shareholder (Board member of Mariatorp Oy)

Main positions: Chair and owner, Wipunen varainhallinta oy; Board member, Foundation for a Living Baltic Sea

Ownership 31 December 2024\*:  
2,940,067 A shares  
6,213,346 B shares



### **Jukka Moisio**

Vice Chair, b. 1961, male, Finnish citizen

M.Sc. (economics), MBA

Board member and Vice Chair since 2024  
Member of Nomination and Compensation Committee

Independent of the Company and significant shareholders

Main positions: President and CEO, Nokian Tyres Plc (until 12/2024)

Ownership 31 December 2024\*:  
1,576 B shares



### **Eric Alström**

Member, b. 1966, male, Swedish and American citizen

M. Sc. Management

Board member since 2024  
Member of Audit and Risk Management Committee

Independent of the Company and significant shareholders

Main position: President, Danfoss Power Solutions, Danfoss A/S (until 12/2024)

Ownership 31 December 2024\*:  
968 B shares



### **Raija-Leena Hankonen-Nybom**

Member, b. 1960, female, Finnish citizen

M.Sc. (Econ.), Authorised Public Accountant examination

Board member since 2023  
Chair of Audit and Risk Management Committee

Independent of the Company and significant shareholders

Main position: Board professional

Ownership 31 December 2024\*:  
1,945 B shares

\* Direct ownership and ownership of controlled corporations.

## Board of Directors 31 December 2024



**Tuija Pohjolainen-Hiltunen**

Member, b. 1966, female, Finnish citizen

M.Sc. (Eng)

Board member since 2024  
Member of Audit and Risk Management Committee

Independent of the company and significant shareholders

Main position: EVP, Water Solutions Business Unit, Kemira

Ownership 31 December 2024\*:  
968 B shares



**Ritva Sotamaa**

Member, b. 1963, female, Finnish citizen

Master of Laws, served on the bench

Board member since 2023  
Member of Nomination and Compensation Committee

Independent of the company and significant shareholders

Main position: Board professional

Ownership 31 December 2024\*:  
2,127 B shares



**Luca Sra**

Member, b. 1971, male, Italian citizen

M. Sc. (Econ.), MBA

Board member since 2024

Independent of the company and significant shareholders

Main position: President and CEO, Iveco Truck Business Unit, Iveco Group

Ownership 31 December 2024\*:  
860 B shares

### Board members until 30 May 2024:

**Jaakko Eskola**

member 2021–2024, Chair 2022–2024

**Teresa Kemppi-Vasama**

member 2017–2024

**Tapio Kolunsarka**

member 2023–2024

**Johanna Lamminen**

member 2017–2024

**Kaisa Olkkonen**

member 2016–2024

\* Direct ownership and ownership of controlled corporations.

## Board Committees

The Board has set up two permanent committees to improve the efficiency of board work: the Audit and Risk Management Committee and the Nomination and Compensation Committee. The Board nominates the members and the Chairs of the committees from among its members annually in its organising meeting and confirms the committees' written charters. The committees have no independent decision-making power, but prepare issues to be resolved by the Board. A temporary Demerger Committee was established in 2023 to support the proposed standalone Kalmar listing readiness preparations and it was dissolved in May 2024.

### Audit and Risk Management Committee

The committee's duty is to supervise the financial and sustainability reporting executed by the management, and to monitor the financial statement and interim reporting process. In accordance with its charter, the committee supervises the adequacy and appropriateness of Cargotec's internal control, internal audit and risk management as well as the development of operative and strategic risks and risk management. The committee handles the Internal Audit plans and reports. Furthermore, the committee prepares a proposal to the AGM regarding the election and fees of the external auditor and the sustainability reporting assurance provider and monitors the statutory audit of financial statements and consolidated financial statements. Cargotec's Board has confirmed a Non-audit services policy for defining the permitted non-audit services purchased from the auditors. The committee defines and monitors the non-audit services to ensure the auditor's independence. Sustainability matters are presented to the committee at least quarterly and violations against Cargotec's Code of Conduct are reported to it. The committee also reviews Cargotec's Sustainability statement and Corporate governance statement.

The Audit and Risk Management Committee consists of a minimum of three members of the Board of Directors. In addition, the President and CEO, CFO, General Counsel, Chief

Compliance Officer, and Head of Internal Audit as well as representatives of the auditing firm attend the meetings. The directors of Group Control, Treasury, Taxes, Information Management, Risk Management, and Sustainability report to the committee on a regular basis. If the matters to be dealt with so require, the committee convenes without the presence of the Company's management. An annual self-assessment discussion is held to identify any development areas in the committee's work.

Until the AGM in May 2024, the Audit and Risk Management Committee was chaired by Raija-Leena Hankonen-Nybom and its members were Tapio Kolunsarka, Johanna Lamminen and Kaisa Olkkonen. After the AGM, the Board re-appointed Raija-Leena Hankonen-Nybom as Chair of the committee and Eric Alström and Tuija Pohjolainen-Hiltunen were appointed as members. Committee members are independent of the Company and of major shareholders and they possess years of experience in business management duties.

In 2024, the committee met eight times. The meeting attendance is reported in the above table. During the first half of the year, the main focus of the committee was to prepare and handle governance and financial reporting issues relating to the partial demerger of the Company. The committee handled and prepared financial reporting and treasury topics for Board approval. The representatives of the auditing firm Ernst & Young presented their work and observations and reported the use of non-audit services to the committee in connection with the Company's annual and interim reports. Reports on risk management, internal audit, sustainability as well as ethics and compliance were presented at least four times a year to the committee. The committee received reports on financial items requiring management judgement, tax and treasury matters, information security management, legal claims, trade sanctions and internal controls. The committee reviewed the goodwill impairment testing results and the related party transactions. In 2024, one of the committee's main interests was to ensure that the company's annual sustainability reporting is compliant with the EU

Corporate Sustainability Reporting Directive (CSRD). The status of reporting was reviewed in every committee meeting. The committee also evaluated the results of the annual review of Cargotec's double materiality assessment. For more information, see Cargotec's Sustainability statement in the Board of Directors' Report.

### Nomination and Compensation Committee

The committee evaluates the composition, number of members and structure of the Board of Directors and recommends any changes deemed necessary to improve its effectiveness. The committee shall identify and assess individuals qualified to serve on the Board of Directors, taking into account the Company's strategic objectives, diversity goals and governance principles, and prepare a proposal to Cargotec's AGM concerning the composition and remuneration of the Board of Directors.

The committee prepares the remuneration policy and remuneration report for the Company's governing bodies, i.e. the Board, the CEO and the deputy CEO, if such is appointed. The committee discusses annually the Board's diversity principles and follows if the diversity target is met. The committee prepares a proposal to the Board regarding the appointment of the President and CEO and the terms of employment. The committee prepares Cargotec's long- and short-term incentive programmes and follows their outcome and effectiveness, and prepares the nomination and remuneration issues of other top management members as needed before Board approval.

The committee consists of a minimum of three Board members. The committee convenes as needed but at least three times a year. Until the AGM in 2024, the committee members were Jaakko Eskola (Chair), Ilkka Herlin, Teresa Kemppe-Vasama, and Ritva Sotamaa. In its organising meeting after the AGM, the Board appointed Ilkka Herlin as Chair and Jukka Moisio and Ritva Sotamaa as members of the Committee. Committee members are independent of the Company. The President and CEO and the Senior Vice

President, Human Resources, attended the committee meetings, except when they themselves were the subject of discussion.

In 2024, the committee convened seven times. The meeting attendance is presented in the above table. In accordance with the annual cycle, the committee's agenda comprised top management performance and remuneration reviews, establishment and follow-up of short-term and long-term incentive programmes and their outcome, as well as talent review follow-up.

The committee handled the remuneration policy as well as the remuneration report for the governing bodies presented to the AGM in 2024. The committee has also overseen the preparation of nomination and remuneration topics with regard to Cargotec's partial demerger planning and the standalone Kalmar as well as Hiab.

#### **Demerger Committee**

The Demerger Committee was established in August 2023 to support the potential standalone Kalmar listing readiness preparations and it was dissolved after the AGM in May 2024. The committee oversaw the preparations for Kalmar listing readiness and corporate governance matters. The committee members in 2024 were Jaakko Eskola (Chair), Teresa Kemppt-Vasama and Tapio Kolunsarka. The committee members were independent of the Company. The committee convened six times in 2024 and the meeting attendance is presented in the above table. The committee meetings were also attended by members of Cargotec's executive management. In addition, the President of Kalmar business area as well as the future Kalmar Board candidates attended the last committee meetings held in April/May 2024.

## **Management**

### **President and CEO**

The Board of Directors appoints Cargotec's President and CEO and determines the related terms of employment, defined in a written executive contract. The CEO is responsible for ensuring that the targets, plans, guidelines and goals set by the Board are carried out within Cargotec. According to the Finnish Limited Liability Companies Act, the CEO ensures that the accounting practices of the Company comply with the law and that financial matters are handled in a reliable manner. The Board evaluates the performance of the CEO and the achievement of the targets it has set to him. Casimir Lindholm, M.Sc. (Econ.), MBA, has acted as Cargotec's President and CEO since April 2023. No deputy CEO has been appointed.

### **Leadership Team**

Supporting the President and CEO in his duties, Cargotec Leadership Team is responsible for business development and the Company's operational activities in accordance with the targets set by the Board of Directors and the CEO. The Leadership Team also defines operative principles and procedures in accordance with the guidelines set by the Board. The Leadership Team concentrates on the strategic issues of the group and the business areas. The agenda regularly includes reports and issues concerning financial development, governance, human resources, sustainability, and development projects. Throughout the year 2024 the main focus has been in the partial demerger process.

The Leadership Team members report to Cargotec's President and CEO. Two members of the Leadership Team are female and six are male, and the underrepresented gender comprised 25 percent of all members.

Biographical details of the President and CEO as well as the members of the Leadership Team are given below and up-to-date CV details are available on the Company website. The CEO remuneration is described in the Remuneration report 2024 and the remuneration of the Leadership Team is described on the Company website.

## Leadership Team 31 December 2024



### **Casimir Lindholm**

President and CEO;  
Interim President of Kalmar business area 16  
Aug 2023 – 31 Mar 2024

B. 1971, male, Finnish citizen  
M.Sc. (Econ.), MBA

Ownership 31 December 2024\*:  
2,088 B shares



### **Mikko Puolakka**

Executive Vice President, CFO

B. 1969, male, Finnish citizen  
M.Sc. (Econ.)

Ownership 31 December 2024\*:  
53,322 B shares



### **Scott Phillips**

President, Hiab

B. 1966, male, American citizen  
MBA, B.Sc. (Ind. Tech.)

Ownership 31 December 2024\*:  
60,592 B shares



### **Leif Byström**

President, MacGregor

B. 1962, male, Swedish citizen  
Bachelor degrees in Business Administration  
and Innovation Engineering

Ownership 31 December 2024\*:  
2,664 B shares

\* Direct ownership and ownership of controlled corporations.

## Leadership Team 31 December 2024



### **Outi Aaltonen**

Senior Vice President, General Counsel

B. 1965, female, Finnish citizen  
LL.M

Ownership 31 December 2024\*:  
16,435 B shares



### **Mikael Laine**

Senior Vice President, Strategy;  
Interim COO, Kalmar business area 6 August  
2023 – 30 Apr 2024

B. 1964, male, Finnish citizen  
M.Sc. (Econ.)

Ownership 31 December 2024\*:  
33,848 B shares



### **Soili Mäkinen**

Senior Vice President, Sustainable Business  
Development

B. 1960, female, Finnish citizen  
M.Sc. (Econ.)

Ownership 31 December 2024\*:  
25,138 B shares



### **Mikko Pelkonen**

Senior Vice President, Human Resources

B. 1970, male, Finnish citizen  
B.A.

Ownership 31 December 2024\*:  
70,949 B shares

## Leadership Team members during 2024:

### **Carina Geber-Teir**

Senior Vice President, Communications  
until 30 June 2024

### **Sami Niiranen**

President, Kalmar business area  
1 April – 30 June 2024

\* Direct ownership and ownership of controlled corporations.

## Principles of internal control and risk management relating to the financial reporting process

Cargotec compiles its financial reporting in accordance with the International Financial Reporting Standards (IFRS), the Securities Markets Act, the Finnish Accounting Act, and the Finnish Accounting Board's guidelines and statements, while complying with the standards of the Financial Supervisory Authority (FIN-FSA) and the rules of Nasdaq Helsinki Ltd.

The internal control and risk management principles, guidelines, practices and responsibilities pertaining to the Company's financial reporting process have been designed to ensure that the financial reports disclosed by Cargotec are reliable and meet the requirements of the law, regulations and Company principles.

Instructions regarding the publication of financial information and external communications are included in Cargotec's Disclosure policy, approved by the Board of Directors. This is available on the Company intranet and website. Together with Group Communications, Investor Relations is responsible for ensuring the accuracy of and compliance with the policy.

Cargotec's Code of Conduct contains the principles that guide the Company. All employees are expected to familiarise themselves with the Code of Conduct and take the regular eLearning trainings. To prevent financial and other misconduct, Cargotec has instructions for principles and processes for raising concerns. The SpeakUp line gives an opportunity to anonymously raise concerns of possible misconduct or other matters that may not be in line with Company values and policies. The reporting channel is provided by an external partner, to ensure anonymity. All reports are investigated and processed in confidence by the Ethics and Compliance team. Corrective and disciplinary

actions are discussed and agreed in the Code of Conduct panel of the Cargotec Leadership Team.

### Internal control

The objective of Cargotec's internal control is to ensure that the Company's operations are efficient and profitable, that risk management is adequate and appropriate, and that financial and other information produced is reliable. Cargotec's internal control is based on the Company's Code of Conduct and Internal Controls Framework. With respect to the financial reporting process, these are supported by policies and guidelines, as well as with the internal financial reporting process and communication. Cargotec's Internal control policy, approved by the Board of Directors, specifies the applicable control principles, procedures and responsibilities. Control activities, which occur throughout the organisation at all levels and functions, help to ensure that necessary actions are taken to address risk while achieving the company's objectives. The purpose of these control measures is to detect, prevent, and correct any errors and deviations in financial follow-up. Internal controls are owned by the individuals performing the company's operations and every employee is responsible for ensuring that the framework is effective in achieving the company's mission.

Similarly to other Cargotec operations, responsibility for internal control is divided into three tiers. The line management is principally responsible for internal control. This is backed by group support functions, which define instructions applicable across the Company and supervise risk management. Internal and external audits form the third tier, their task being to ensure that the first two tiers function effectively.

The effectiveness of internal control measures related to financial reporting is monitored by the Board of Directors, the Audit and Risk Management Committee, the President and CEO, the Leadership Team, and business area leadership teams.

### Risk management

Cargotec's risk management is guided by the Enterprise risk management policy, approved by the Board of Directors. It specifies the objectives and principles of risk management as well as the process and responsibilities involved. Risk management is to be naturally built into all business decisions and plans. The core principle is continuous, systematic, and preventive action taken to identify risks, define the Company's risk appetite, assess and handle risks and, if they materialise, deal with them effectively.

The Board of Directors defines Cargotec's overall risk appetite and ensures that the organisation has sufficient risk management and control. The President and CEO and the Leadership Team are responsible for the methods, implementation, and supervision of risk management. Cargotec's risk management is spread across business units and group support functions that assign responsibility for risk management and that are in charge of identifying, managing, and reporting risks. The Risk Management function is responsible for reporting any findings to the President and CEO and the Leadership Team, and reports quarterly to the Board's Audit and Risk Management Committee on the risk reviews, identified risks, and mitigation plans.

Climate-related risks and opportunities are identified and assessed according to the general corporate risk management process but in climate-related topics the process does not focus only on risks but also opportunities. The climate-specific risk management process is described in the Sustainability statement of the Board of Directors report. Financial risks, such as currency, interest rate, liquidity, credit and counterparty risks, are managed centrally by the Group Treasury and reported to the management and the Audit and Risk Management Committee on a regular basis. The Board of Directors' report includes an estimate on the Company's main risks and uncertainties and short term risks.

## Other information

### Internal audit

Cargotec's Internal Audit function serves as an independent and objective assurance and advisory service provider, designed to enhance operational efficiency and add value to Cargotec and its businesses. As an integral part of the corporate governance process, Internal Audit supports the organization by employing a systematic methodology for objectively evaluating and improving the effectiveness of governance, risk management, and control processes. The Internal Audit Charter, approved by the Board of Directors, defines the Internal Audit mandate, scope, authority and reporting lines.

Internal Audit operates based on an Internal Audit Plan, approved by the Board's Audit and Risk Management Committee, incorporating Cargotec's strategic priorities, key projects and identified risks as key components in the audit planning process. The Head of Internal Audit provides regular reports to senior management and the Audit and Risk Management Committee on the function's activities, including audit reports and action plans by various organizational units. Internal Audit actively collaborates with other assurance service functions within Cargotec, such as Risk Management, Internal Control, and Compliance, as well as with top management, to share best practices related to processes and governance. The Head of Internal Audit is informed of suspected misconduct and breaches of Cargotec's policies, principles, and applicable laws and regulations and as needed, the Internal Audit team participates in ensuing investigations. In line with the announced Cargotec demerger plan during 2024, Internal Audit supported Kalmar corporate governance by establishing and staffing the Kalmar Internal Audit function.

Internal Audit reports directly to the Board of Directors' Audit and Risk Management Committee, with administrative reporting to the Chief Financial Officer.

### External audit

The statutory external audit for the financial period includes the auditing of accounting records, financial statements and administration. In addition to the auditor's report issued annually, the auditors report to the Board of Directors on their audit findings on a regular basis, and attend the Board's Audit and Risk Management Committee meetings.

According to the Articles of Association, Cargotec has at least one and no more than two auditors. The auditor must be approved by the Finnish Patent and Registration Office, and the principal auditor must be an authorised public accountant. The auditors are elected annually by the AGM and their assignment expires at the end of the first AGM following the election.

The AGM that convened on 30 May 2024 re-elected the auditing firm Ernst & Young Oy as Cargotec's auditor. Heikki Ilkka from Ernst & Young Oy has been the principal auditor since 2021. Auditor's fees are compensated against an invoice. The fees paid to the auditor for different services are listed below. Other services in 2024 were mainly related to the sale of MacGregor and the partial demerger of Cargotec.

In accordance with the EU Corporate Sustainability Reporting Directive (CSRD) and national legislation related thereto, Cargotec will prepare its first sustainability report for the financial year 2024. The AGM of 30 May 2024 elected authorized sustainability assurance audit firm Ernst & Young Oy as the sustainability reporting assurance provider. Ernst & Young Oy has notified that Heikki Ilkka will act as the responsible authorized sustainability auditor. The sustainability reporting assurance provider's fees will be paid according to an invoice.

### Auditor's fees

MEUR	2024	2023
Audit fees	3.7	3.8
Tax advice	0.0	0.0
Other services	1.5	0.7

### Related party transactions

Cargotec's related parties include its subsidiaries, associated companies and joint ventures. Also the members of the Board of Directors, the President and CEO and other members of the Leadership Team, their close family members and entities controlled directly or indirectly by them, as defined in IAS 24, are related to Cargotec. Major shareholders with more than 20 percent ownership of shares or of the total voting rights in the Company, are included in related parties. The Company maintains lists of its related parties.

Transactions with associated companies and joint ventures are monitored in the financial reporting system. They are reported in Note 9.3 to the financial statements and they have been carried out at market prices. The Company has an instruction for the Board and Leadership Team members and major shareholders regarding recognising related party transactions. They are obliged to inform the Company of any planned agreements or other legal acts with any group company and asked annually to confirm if any related party transactions have taken place. The Board handles all related party transactions that are not conducted in the ordinary course of business of the company or are not implemented under arm's length terms.

### Insider administration

Cargotec applies the insider guidelines of Nasdaq Helsinki Ltd, in addition to which the Board of Directors has approved internal insider guidelines based on the Nasdaq Helsinki guidelines. Cargotec maintains a list of its Managers and their closely associated persons. Cargotec's Managers include the members of the Board of Directors and the Leadership Team. The Managers and their closely associated persons are obliged to notify Cargotec and the Finnish Financial Supervisory Authority of every transaction conducted on their own account relating to Cargotec's financial instruments. Cargotec will publish each notification in the form of a stock exchange release. Persons who, on the basis of an employment or other contract, work for the company and obtain inside information associated with a specific project, are entered in the Company's project-specific insider register, which is established when necessary.

Trading in Cargotec financial instruments is prohibited on the person's own account or for the account of a third party:

- a) if a person possesses inside information,
- b) regarding project-specific insiders, for the duration of the project until the project is published or otherwise terminated,
- c) regarding Managers, during a period of 30 days prior to the publication of Cargotec's annual or interim reports (closed window), and
- d) regarding persons having access to material financial information, especially persons engaged with preparing Cargotec's annual or interim reports, during a period of 30 days prior to the publication of such report (extended closed window).

The General Counsel of Cargotec is responsible for the overall insider management in Cargotec, including necessary training. Group Legal is responsible for maintaining the list of Managers and the project specific insider lists and informing the insiders of their insider status and of closed windows. Group Communications is responsible for disclosing the transactions of the Managers and their closely associated persons.